

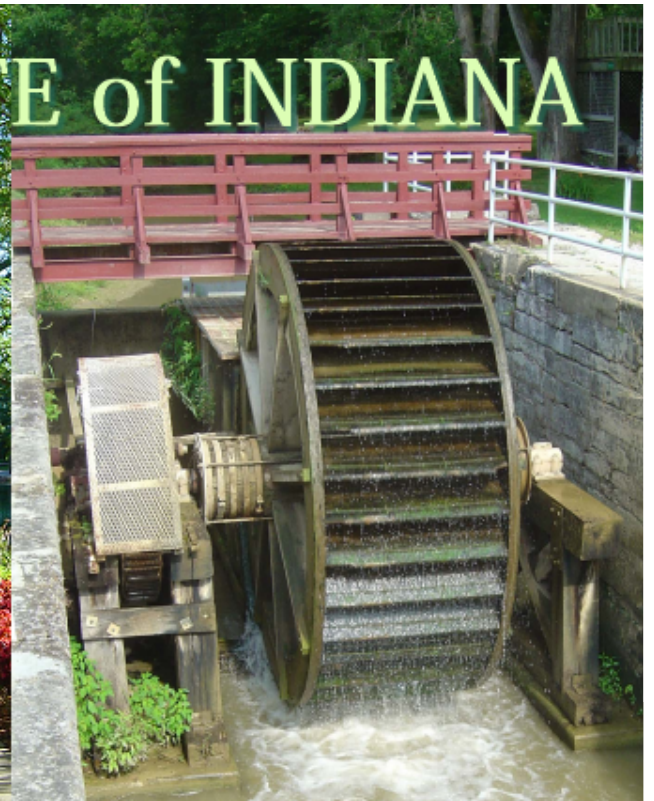


Loan Broker Legislative Update

Indiana Secretary of State
October 7, 2010



STATE of INDIANA



Today's Presentation

- Examination violations discovered
- Legislative Update
 - IC 23-2-5-11.5
- Loan Broker Updates
- NMLS Renewal 2010



State of Indiana

Loan Broker License Required

- **IC 23-2-5-4**

License to engage in loan brokerage business required.

- License must be in force on the date that any loan is originated, closed or funded



State of Indiana

Violation or Not?

- Broker has submitted all required data through the NMLS and to our office, and is awaiting their approval. In the meantime, broker is recruiting business through Realtors. When broker's MLO's discuss loan products and current market rates with prospective borrowers, broker is careful to advise prospective borrowers that they cannot actually sign the loan application or lock the interest rate until they receive their final broker approval.



State of Indiana

Un-licensed Originators

- **IC 23-2-5-20.5: A person licensed under this chapter shall not employ a person to engage in origination activities until that person is licensed with the Division as either a Principal Manager or a Loan Originator.**
 - Must sign 1003 as “Interviewer”



State of Indiana

Violation or Not?

- Broker makes an offer of employment to MLO, contingent upon MLO's licensing approval. While pending approval, MLO begins training in broker's office. MLO answers the phone during the busy lunch hour one day and learns that PM's borrower has found a home and wants to make application. To assist his friend, MLO completes the loan application with the borrower over the phone subject to that day's rate sheets, and puts the loan application in the PM's name. When the PM returns from lunch, he contacts the borrower and arranges a time to meet later that afternoon and sign the loan documents.



State of Indiana

Branch Office

- **IC 23-2-5-20.5: Origination activities; license required; licensed principal manager required at each location. (b) A person licensed or required to be licensed as a loan broker under this chapter shall not operate any principal or branch office of a loan brokerage business without employing a licensed principal manager at that location.**



State of Indiana

Violation or Not?

- Indianapolis broker employs an MLO who resides in Lafayette, although MLO comes to the office whenever he needs to input the loan and print out the loan documents. However, MLO spends all of his time marketing Realtors in the Lafayette territory, and prefers to have his home address on his business cards.



State of Indiana

Loan Broker Agreement

- **710 IAC 1-22-5 Forms:** Sec. 5. Within three (3) business days of the time an application for a loan is made to a licensee, the licensee must have entered into a separate, signed, and written loan broker agreement with the potential borrower.



State of Indiana

Violation or Not?

- Broker's software does not provide them with a specific version for Indiana, so they execute a generic Mortgage Loan Origination Agreement with the borrower.



State of Indiana

License Numbers

- SAFE requires license numbers on all documents including correspondence with borrowers despite our statutes only requiring on the broker agreement.
- Includes email communication, business cards, advertising and letterhead.



State of Indiana

Account Numbers

- **IC 23-2-5-18 Sec. 18. (a) Each loan broker agreement shall be given an account number.**
 - Unique account number assigned by loan operating software
 - Do not use borrowers name as file number



State of Indiana

Violation or Not?

- Broker saves files in loan operating software by name, thinking that it will be easier later on to locate the files. This name appears on many of the loan documents as the loan's file name.



State of Indiana

Credit Report Fees

- **710 IAC 1-22-6 Fees: (2) Credit report fees, if applicable, shall be limited to the actual cost of the report, the amount of which was paid to a third party.**
 - Retain invoice in file to evidence



State of Indiana

Violation or Not?

- Broker charges a flat rate of \$50 for all credit reports, regardless of the actual cost, because many reports are actually more costly, and the final invoice amount is often not available at the closing.
- Broker includes the DU or LP fee in the credit report cost to the borrower.



State of Indiana

Change in Material Fact

- **IC 23-2-5-10- (i): If a material fact or statement included in an application under this chapter changes after the application has been submitted, the applicant shall provide written notice to the commissioner of the change.**
 - Update NMLS



State of Indiana

Change in Material Fact

■ 710 IAC 1-22-8 Material facts

Sec. 8. As used in IC 23-2-5, "material fact" includes, but is not limited to, the following:

- ❑ Business address
- ❑ Disclosure questions
- ❑ Email address
- ❑ Current home address or employment



State of Indiana

Record Retention

■ IC 23-2-5-18

- b) The records shall be kept for a period of two (2) years in the loan broker's branch or principal office



State of Indiana

Violation or Not?

- Broker has downsized and moved files from the previous years into storage. At the principal office, files are only available for the past 7 months.
- Files in branch office are forwarded to the principal office for retention.



State of Indiana

Disposal of information

■ IC 23-2-5-18

- (d) A person ... may not dispose of the unencrypted personal information of one (1) or more borrowers or prospective borrowers without first shredding, incinerating, mutilating, erasing, or otherwise rendering the information illegible or unusable.



State of Indiana

Violation or Not?

- Broker is downsizing and decides to sell several computers which stored loan files under broker's loan origination software.



State of Indiana

Retention

■ IC 23-2-5-18

□ (4) A sample of:

(A) all advertisements, pamphlets, circulars, letters, articles, or communications published in any newspaper, magazine, or periodical;

(B) scripts of any recording, radio, or television announcement; and

(C) any sales kits or literature;
to be used in solicitation of borrowers.



State of Indiana

Violation or Not?

- Broker contracts a radio marketing campaign to run for 6 weeks. Since it is a radio advertisement, no record of it is found in the broker's Advertising File.



State of Indiana

Enforcement IC 23-2-5-11.5

- If violation is suspected, Commissioner may
 - issue a permanent or temporary injunction, restraining order, or declaratory judgment;
 - order other appropriate or ancillary relief, which may include:
 - an asset freeze, accounting, writ of attachment, writ of general or specific execution, and appointment of a receiver or conservator;



State of Indiana

Enforcement IC 23-2-5-11.5

- ordering a receiver or conservator appointed under clause (A) to:
 - take charge and control of a respondent's property, including investment accounts and accounts in a depository institution, rents, and profits;
 - collect debts; and
 - acquire and dispose of property;



State of Indiana

Enforcement IC 23-2-5-11.5

- imposing a civil penalty of up to ten thousand dollars (\$10,000) per violation and an order of rescission,
- ordering the payment of prejudgment and post-judgment interest; or
- order such other relief as the court considers appropriate.



State of Indiana

RESPA

- ❑ **Section 8** of RESPA prohibits a person from giving or accepting any thing of value for referrals of settlement service business related to a federally related mortgage loan. It also prohibits a person from giving or accepting any part of a charge for services that are not performed.



State of Indiana

Violation or Not?

- An insurance agent markets his clients for refinancing their homes. The loan broker pays the agent \$200 for each borrower who calls the broker and successfully closes on their loan.



State of Indiana

RESPA

- RESPA Reform
 - Good Faith Estimate
 - HUD-1
- Affiliated Business Disclosure



State of Indiana

Truth-In-Lending Act

- 15 USC 1601 – Regulation Z

Prepaid Finance Charges Section 226.2(23)

- Origination or Discount Points
- Underwriting fees
- Tax Service Fees
- Processing fees
- Closing fees



State of Indiana

TILA Advertising

Advertising Disclosures

- ❑ If the advertisement states a rate of finance charge, is it stated as an “APR”? [226.24(b)]
- ❑ If the APR is stated and may be increased after consummation, does the advertisement state that fact? [226.24(b)]



State of Indiana

TILA Advertising

- ❑ If triggering terms were used [226.24(c)(1)], did the ad include:
 - The down payment [226.24(c)(2)(i)]
 - The repayment terms? [226.24(c)(2)(ii)]
 - The APR? [226.24(c)(2)(iii)]
 - The fact that the APR may be increased after consummation, if applicable? [226.24(c)(2)(iii)]



State of Indiana

ECOA

- Notice of Action Taken

- Time frame

- When clock starts

- Required content

- Outside source disclosure



State of Indiana

Application Defined

A creditor is encouraged to provide consumers with information about loan terms. However, if in giving information to the consumer the creditor also **evaluates** information about the applicant, decides to **decline** the request, and **communicates** this to the applicant, the creditor has treated the inquiry as an application and must then comply with the [adverse action] notification requirements under Section 202.9. **Whether the inquiry becomes an application depends on how the creditor responds to the applicant, not on what the applicant says or asks.**

Mortgage Loan Pre-qualifications
Application or Not?
FDIC



State of Indiana

Graduated Bond Amounts

- \$50,000 < \$5 million closed prior year
 - \$60,000 > \$5 million < \$20 million
 - \$75,000 > \$20 million
-
- Title companies are now required to track closing data, which will evidence the exact amount of closing volume conducted by a licensee



State of Indiana

-
- Every three (3) years, beginning with the third calendar year following the calendar year in which an initial license is issued under this chapter, the commissioner shall require each:
 - **equitable owner**
 - **mortgage loan originator; or**
 - **principal manager;**
 - FBI background checks



State of Indiana

Credit Reports

- All INSOS Licensees must authorize and pay for a credit report through the NMLS by **December 31, 2010** in conjunction with the 2010 renewal period. This functionality will be available beginning October 30, 2010.



State of Indiana

- A determination that an individual has not shown financial responsibility may include, but not be limited to:
 - ❑ Current outstanding judgments, except judgments solely as a result of medical expenses;
 - ❑ Current outstanding tax liens or other government liens and filings;
 - ❑ Foreclosures within the past three years;
 - ❑ A pattern of seriously delinquent accounts within the past three years.
 - ❑ Regulators will review the findings and the explanations received from the licensee. Before an individual's license may be revoked or application be denied, the individual will have an opportunity to request a hearing.



State of Indiana

The Commissioner may deny . . .

- an application for an initial or a renewal license, and may suspend or revoke the license of a loan broker licensee:
 - has, within the most recent ten (10) years:
 - been the subject of an adjudication or a determination to have violated the securities commodities, banking, financial services, insurance, real estate, or real estate appraisal laws of Indiana or any other jurisdiction;



State of Indiana

- ❑ has:
 - been denied the right to do business in the securities, commodities, banking, financial services, insurance, real estate, or real estate appraisal industry; or
 - had the person's authority to do business in the securities, commodities, banking, financial services, insurance, real estate, or real estate appraisal industry
 - ❑ revoked or suspended;
 - by Indiana or by any other state, federal, or foreign governmental agency or self regulatory organization;
- ❑ is insolvent;
- ❑ has violated any provision of this chapter;
- ❑ has knowingly filed with the commissioner any document or statement that:



State of Indiana

- contains a false representation of a material fact;
- fails to state a material fact; or
- contains a representation that becomes false after the filing but during the term of a license;
- has been convicted, within ten (10) years before the date of the application, renewal, or review, of any crime, other than a felony, involving fraud or deceit;
- if the person is a loan broker licensee or a principal manager, has failed to reasonably supervise the person's mortgage loan originators or employees to ensure their compliance with this chapter;
- is on the most recent tax warrant list supplied to the commissioner by the department of state revenue; or
- has engaged in dishonest or unethical practices in the loan brokerage business, as determined by the commissioner.



State of Indiana

The Commissioner shall deny . . .

- an application for an initial or a renewal license and shall revoke the license of a licensee if the applicant:
 - has been convicted of or pleaded guilty to a felony:
 - during the seven (7) year period immediately preceding the date of the application or review; or



State of Indiana

- at any time preceding the date of the application or review if the felony involved an act of fraud or dishonesty, a breach of trust, or money laundering;
- fails to maintain the bond required under section 5(d) of this chapter;
- fails to demonstrate the financial responsibility, character, and general fitness necessary to:
 - command the confidence of the community in which the applicant or licensee engages or will engage in the loan brokerage business; and



State of Indiana

- warrant a determination by the commissioner that the applicant or licensee will operate honestly, fairly, and efficiently within the purposes of this chapter;
- has failed to meet the education requirements
- has failed to pass the written examination; or
- fails to:
 - keep or maintain records in accordance with section 18 of this chapter; or
 - allow the commissioner or an agent appointed by the commissioner to inspect or examine a loan broker licensee's books and records to determine compliance with section 18 of this chapter.



State of Indiana

Administrative Actions

- Censure:
 - a licensee;
 - an officer, a director, or an ultimate equitable owner of a loan broker licensee; or
 - any other person;
 who violates or causes a violation of this chapter;
- Permanently bar any person from being:
 - licensed under this chapter; or
 - employed by or affiliated with a person licensed under this chapter;
 if the person violates or causes a violation of this chapter.



State of Indiana

Licensee outside state

The records must be:

- ❑ made available at a location that is:
 - located in Indiana; and
 - accessible to the securities division; or
 - maintained electronically and made available to the securities division not later than ten (10) business days after a request by the securities division to inspect or examine the records.



State of Indiana

Report on Condition

- Each loan broker licensee shall submit, at such times as the commissioner may require, reports of condition to:
 - (1) the commissioner; and
 - (2) the NMLS.

A report required by this section shall be in such form and contain such information as the commissioner may require.



State of Indiana

A person may not...

- Knowingly bribe, coerce, or intimidate another person to corrupt or improperly influence the independent judgment of a real estate appraiser with respect to the value of any real estate offered as security for a residential mortgage loan.
- Violate any of the following:
 - The federal Truth in Lending Act
 - The federal Real Estate Settlement Procedures Act
 - The federal Equal Credit Opportunity Act
 - Any other federal law or regulation concerning residential mortgage lending.



State of Indiana

Processor or Underwriter

- An individual that acts solely as a loan processor or underwriter shall not represent to the public through:
 - advertising; or
 - other means of communicating or providing information, including the use of business cards, stationery, brochures, signs, rate lists, or other promotional items;
 - that the individual may or will perform mortgage loan origination activities or otherwise act as a mortgage loan originator.



State of Indiana

- ❑ S.A.F.E requires that each independently contracted loan processor or underwriter be licensed as a mortgage loan originator and must have a valid unique identifier issued by the NMLS.
- If a loan broker employs a loan processor or underwriter and compensates them as a W-2'd employee, they may be exempt from licensing provided that they perform only clerical or support duties at the direction of and subject to the supervision and instruction of a duly licensed principal manager or loan originator.



State of Indiana

Cooperation with DFI

- The securities division may cooperate with the Indiana department of financial institutions in the regulation of a licensee that conducts:
 - (1) business under this article; and
 - (2) business that requires licensure under IC 24-4.4.



State of Indiana

Age Violations

A person who knowingly violates the Indiana Loan Broker Act commits a Class B felony if the person harmed, defrauded, misled, or deceived by the violation is at least sixty (60) years of age.



State of Indiana

All exemptions removed 7/09

- Attorneys
- Broker-Dealers
- Investment Advisors
- CPA's
- Truth-In-Lending Act



State of Indiana

IC 23-2-5-11.5

■ **Authority of commissioner to bring civil action to enjoin violations and enforce compliance**

- 1) issue a permanent or temporary injunction, restraining order, or declaratory judgment;
- (2) order other appropriate or ancillary relief, which may include:
 - an asset freeze, accounting, writ of attachment, writ of general or specific execution, and appointment of a receiver or conservator;



State of Indiana

- ordering a receiver or conservator appointed under the clause above to:
 - take charge and control of a respondent's property, including investment accounts and accounts in a depository institution, rents, and profits;
 - collect debts; and
 - acquire and dispose of property;
- imposing a civil penalty of up to ten thousand dollars (\$10,000) per violation and an order of rescission, restitution, or disgorgement directed to a person that has engaged in an act, practice, or course of business constituting a violation of this chapter or a rule adopted or order issued under this chapter; and
- ordering the payment of prejudgment and post-judgment interest



State of Indiana

Loan Broker Update

- Regular communication with licensees
- Sent to approved licensees
- Check “Alerts Page” on website



State of Indiana

NMLS Streamlined Renewal and SAFE Requirements

November 1, 2010 – December 31, 2010



State of Indiana

Education Requirements

- 20 Hours approved by the NMLS
 - 3 hours federal laws and regulations
 - 3 hours ethics including instruction on fraud, consumer protection, and fair lending practices
 - 2 hours of training concerning lending standards for nontraditional residential mortgage loan products
 - 2 hours of state laws and regulations
- 8 Hours Continued Education per year



State of Indiana

Assessments

- Originators complete NMLS Assessments
 - National SAFE Assessment
 - State SAFE Assessment
- Principal Managers complete both NMLS and Principal Manager assessments



State of Indiana

Certifications

- The State Regulatory Registry LLC (SRR) Board of Managers approved policies which have allowed MLOs to be able to use their previously completed education or state test results to satisfy selected state and SAFE Act requirements. This process is referred to as the testing and certification process or simply “certification.”
- Certification Process – INSOS records processed through September 30, 2010
 - Pre-Licensure Education
 - INSOS Assessments
 - Records may still be processed during the renewal period



State of Indiana

Who Renews?

- All current licensees
 - All companies
 - All individuals

When should my renewal be submitted?

- It is recommended that your renewal be submitted before **December 1, 2010**
 - This is to allow for processing time



State of Indiana

Who can renew on the NMLS?

- Companies and individuals who have a license in one of the following statuses on the NMLS:
 - ❑ Approved
 - ❑ Approved-Inactive
 - ❑ Approved-Deficient
 - ❑ Approved-Conditional
- Prior to submitting a renewal:
 - ❑ PE must be completed
 - ❑ FBI background check process must be started
 - ❑ National SAFE Test must be passed



State of Indiana

Renewal Checklists

- There are two uniform renewal checklists: one for companies and one for individuals
 - The company checklist should be submitted for all companies to ensure the renewal is processed
 - License numbers should be written on the checklist
 - Individual checklist do not need to be submitted

Credit Reports

- All INSOS Licensees must authorize and pay for a credit report through the NMLS by **December 31, 2010** in conjunction with the 2010 renewal period. This functionality will be available beginning October 30, 2010.
 - **IC 23-2-5-10(d) Commissioner shall deny any applicant that:**
 - (4) fails to demonstrate the financial responsibility, character, and general fitness necessary to:
 - (A) command the confidence of the community in which the applicant or licensee engages or will engage in the loan brokerage business; and
 - (B) warrant a determination by the commissioner that the applicant or licensee will operate honestly, fairly, and efficiently within the purposes of this chapter;



State of Indiana

Uniform Checklists



Uniform Company Renewal Checklist

Instructions

1. In order to ensure processing before January 1st, license renewal requests are to be submitted to the agency by the date specified by your state regulator. Each agency's renewal deadline can be found in the Renewal Section of the NMLS Resource Center. Review the checklist below to determine whether your regulator requires any documentation to be submitted outside NMLS. **If your regulator does not require any documents outside of NMLS, there is no need to submit this checklist.**

2. All requirements as identified on the checklist below must be submitted with this checklist within 5 business days of the electronic renewal submission to the location indicated below.

NMLS Unique ID Number: _____

Licensee's Legal Name: _____

The following agencies do not require any additional documentation to be submitted outside NMLS:

Alaska
Arkansas
California – DCC
Connecticut
Georgia
Iowa
Idaho
Montana
North Carolina
North Dakota
Nebraska
New Hampshire
New Jersey
New Mexico
Oklahoma
Pennsylvania
Rhode Island
South Carolina – DCA
South Dakota
Texas – OCC
Texas – SML
Utah – DRE
Washington
West Virginia

STATE	CHECK IF APPLICABLE	AGENCY INFORMATION	REQUIRED ITEMS
IN-DFI	<input type="checkbox"/>	INDIANA DEPARTMENT OF FINANCIAL INSTITUTIONS; DIVISION OF CONSUMER CREDIT 30 South Meridian Street, #300 Indianapolis, IN 46204	<ul style="list-style-type: none"> The Department will mail a volume reporting form to each Subordinate Lien Mortgage Lending licensee at the end of the reporting period. Subordinate Lien licensees must complete the form and return it to the Department, along with any volume fee due, to complete the renewal process. <p>Note: First Lien Mortgage Lending licensees do not complete this volume report.</p>
IN-SOS	<input type="checkbox"/>	INDIANA SECRETARY OF STATE SECURITIES DIVISION 302 W. Washington Street, Room E111 Indianapolis, IN 46204 317-232-6681	<ul style="list-style-type: none"> ULTIMATE EQUITABLE OWNER(S). \$100.00 for each ultimate equitable owner. Checks are made payable to the Secretary of State. If the owner has never had an FBI background check submitted through our office then click Federal Criminal Background Report: Explanation and Instructions for instructions on obtaining a report, include with this checklist the receipt for the report. <p>For complete details, click the following link: Loan Broker Information</p>
KS	<input type="checkbox"/>	KANSAS OFFICE OF THE STATE BANK COMMISSIONER DIVISION OF CONSUMER AND MORTGAGE LENDING 700 SW Jackson St., Suite 300 Topeka, KS 66603	<ul style="list-style-type: none"> Complete and submit Renewal Questionnaire form and related License Fee directly to OSBC on or before October 31st. This form is provided to each licensee in renewal information packet from OSBC.
KY	<input type="checkbox"/>	KENTUCKY DEPARTMENT OF FINANCIAL INSTITUTIONS 1025 Capital Center Drive, Suite 200 Frankfort, KY 40601	<ul style="list-style-type: none"> Companies and brokers to complete and submit an Annual Report Form. Click here
LA	<input type="checkbox"/>	LOUISIANA OFFICE OF FINANCIAL INSTITUTIONS NMLS@ofi.louisiana.gov Fax: 225-922-2860	<ul style="list-style-type: none"> Complete Loan Volume & Surety Bond Affidavit then return via email or facsimile. Click here for the form.



Uniform Individual Renewal Checklist

Instructions

1. In order to ensure processing before January 1st, documentation should be submitted to the agency by the date specified by your regulator. Each agency's renewal deadline can be found in the Renewal Section of the NMLS Resource Center. Review the checklist below to determine whether your regulator requires any documentation outside the system. If your regulator does not require any documents outside of NMLS, there is no need to submit this checklist.
2. All requirements as identified on the checklist below must be submitted with this checklist within 5 business days of the electronic renewal submission to the location listed below.

NMLS Unique ID Number: _____

Licensee's Legal Name: _____

The following agencies do not require any additional documentation to be submitted outside NMLS:

Alaska	Rhode Island
Alabama	South Carolina - BFI
Arkansas	South Carolina - DCA
California – DOC	South Dakota
Connecticut	Tennessee
Georgia	Texas - OCC
Iowa	Texas - SML
Idaho	Virginia
Indiana – DFI	Washington
Indiana – SOS	Wisconsin
Kansas	West Virginia
Kentucky	Wyoming
Louisiana	
Massachusetts	
Maryland	
Missouri	
Montana	
North Carolina	
North Dakota	
Nebraska	
New Hampshire	
New Jersey	
New Mexico	
New York	
Oklahoma	
Oregon	
Pennsylvania	

Jurisdiction Checklists on NMLS



The screenshot shows the NMLS Resource Center website. At the top, there is a navigation bar with links: Home, News & Events, Licensors, State Licensing, Professional Requirements, Federal Registration, and Course Providers. A red arrow points to the 'State Licensing' link. Below the navigation bar, there is a 'Welcome to the NMLS Resource Center' section. To the right, there are buttons for 'Annual License Renewal' and 'consumer access'. Below these, there are sections for 'Popular Links' and 'Training Events'. The 'Training Events' section highlights the 'Annual Renewal' dates in Sept, Oct and Nov in Orlando 2011.

About NMLS | Contact Us | Get Feedback? | Register/Login |

NMLS Resource Center

Home | News & Events | Licensors | **State Licensing** | Professional Requirements | Federal Registration | Course Providers

Welcome to the NMLS Resource Center

The NMLS Resource Center is the official gateway into the National Mortgage Licensing System & Registry (NMLS) and provides access with links, tips, news and updates.

Getting Started with NMLS...

Companies	Mortgage Loan Originators	Course Providers
Learn how to get an account and set up your company record under Getting Started: Company .	NMLS allows either the company or the individual to manage the licensing process. To get set up on NMLS, go to Getting Started: Mortgage Loan Originator .	Apply to become an approved course provider, submit courses, maintain offerings, and report completions here: Getting Started: Course Provider .

NMLS News & Events

NMLS Consumer Access
At the request of the mortgage industry and other interested parties, NMLS is developing a dedicated subscription service for a subset of the data that is publicly available on NMLS Consumer Access for the purposes of license verification and fraud prevention. Parties interested in subscribing for such a service are encouraged to review the Request for Interest in NMLS Consumer Access Subscription.

Annual Renewal Training Workshop
NMLS is sponsoring a web-based training workshop on the topic of Annual Renewal. The workshop will train companies how to efficiently manage the renewal of their company, branch and individual licenses. The workshop will be offered on various dates throughout the fall. For more information see [NMLS Workshops](#).

SAFE Compliance Countdown Blog

Agency News

West Virginia Approaching Deadline
West Virginia has a transition deadline of October 1, 2010. Licensees should review the West Virginia Transition Plan for more details.

Popular Links

- [SAFE Requirements and Deadlines by State \(PDF\)](#)
- [Criminal Background Check](#)
- [Testing](#)
- [Getting Started: Mortgage Loan Originator](#)
- [Education](#)
- [Certification of Testing and Education](#)

Training Events

Annual Renewal
dates in Sept, Oct and Nov


Orlando 2011

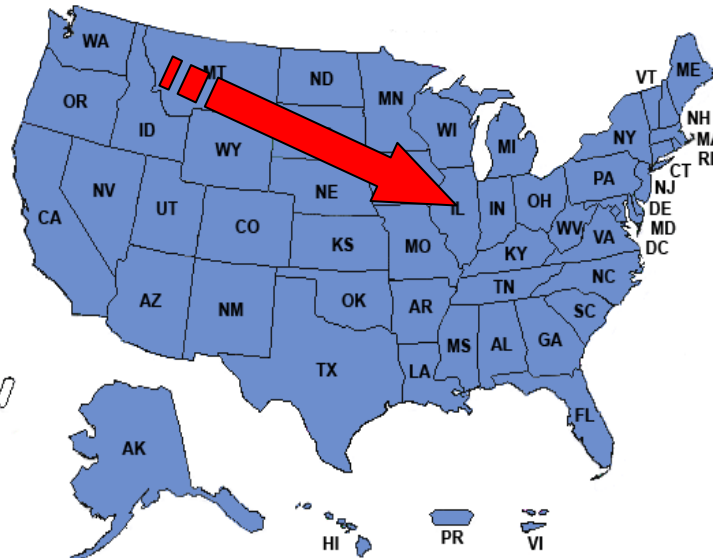


[NMLS Resource Center](#) > [State Licensing](#)

State Licensing Requirements

Use the map to view a specific jurisdiction's transition plan, licenses and requirements. Use the list of topics to view Common Requirements.

Click on the map or select state here... 



Common Requirements

The following requirements are handled through a common process for all jurisdictions:

[Policy](#) - Reference materials and policy guides including:

- Policy Guidebook for Licensees
- Information on Consumer Access

[Financial Statements](#) - Submitting financial statements electronically through NMLS

[Professional Requirements](#) - Testing, education and background check requirements for individual Mortgage Loan Originators

[Renewals](#) - Annual license renewal for 2011 - coming this fall

State Licensing
Requirements

Common Requirements

Renewals

Financial Statements

Professional
Requirements

Policy

Transition Chart

NMLS Resource Center > State Licensing > State Licensing Requirements

State Licensing Requirements

Indiana SOS

Electronic filings through NMLS may be delayed if all required items on the appropriate checklist below are not submitted to the regulator.

Check state agency website for further information: [Indiana Secretary of State Securities Division](#)

Common Requirements

The following requirements are handled through a common process for all jurisdictions:

[Renewals](#) - Annual license renewal

[Financial Statements](#) - Submitting financial statements through NMLS

[Professional Requirements](#) - Testing, education and background check requirements for individual Mortgage Loan Originators

[Policy](#) - Common policies, including the Policy Guidebook for Licensees

Company Licenses	Description	Requirements Checklist
Loan Broker License	This License is required of any company or sole proprietorship which obtains, or assists in obtaining an Indiana residential mortgage loan from a third party. (More Details)	<ul style="list-style-type: none">• New Application• Amendment• Surrender
Branch Licenses	Description	Requirements Checklist
Loan Broker Branch License	This License is required of any location of a loan broker other than the principal location that brokers Indiana residential mortgages. (More Details)	<ul style="list-style-type: none">• New Application• Amendment• Surrender
Individual Licenses	Description	Requirements Checklist
Principal Manager License	Any individual involved in origination activities with a loan broker who oversees the day to day operations of a given location. The individual has satisfied the minimum three (3) year experience requirement under Ind. Code § 23-2-5-5(c)(8) (More Details)	<ul style="list-style-type: none">• New Application• Amendment• Surrender
Mortgage Loan Originator License	Any individual involved in origination activities with a loan broker. (More Details)	<ul style="list-style-type: none">• New Application• Amendment• Surrender

Uniform Renewal Checklist



The screenshot shows the NMLS Resource Center website. At the top, there is a navigation bar with links: Home, News & Events, Licensees, State Licensing, Professional Requirements, Federal Registration, and Course Providers. A red arrow points from the 'Annual License Renewal' button in the right sidebar to the 'Getting Started with NMLS...' section in the main content area.

Annual License Renewal

Getting Started with NMLS...

Companies	Mortgage Loan Originators	Course Providers
Learn how to get an account and set up your company record under Getting Started: Company .	NMLS allows either the company or the individual to manage the licensing process. To get set up on NMLS, go to Getting Started: Mortgage Loan Originator .	Apply to become an approved course provider, submit courses, maintain offerings, and report completions here: Getting Started: Course Provider .

NMLS News & Events

NMLS Consumer Access
At the request of the mortgage industry and other interested parties, NMLS is launching a download subscription service for a subset of the data that is publicly available on NMLS Consumer Access for the purposes of license verification and fraud prevention. Parties interested in subscribing for such a service are encouraged to review the [Request for Interest in NMLS Consumer Access Subscription](#).

Annual Renewal Training Workshop
NMLS is sponsoring a web-based training workshop on the topic of Annual Renewal. The workshop will train companies how to efficiently manage the renewal of their company, branch and individual licenses. The workshop will be offered on various dates throughout the fall. For more information see [NMLS Workshops](#).

SAFE Compliance Countdown Blog

Agency News

West Virginia Approaching Deadline
West Virginia has a transition deadline of October 1, 2010. Licensees should review the [West Virginia Transition Plan](#) for more details.

Popular Links

- [SAFE Requirements and Deadlines by State \(PDF\)](#)
- [Criminal Background Check](#)
- [Testing](#)
- [Getting Started: Mortgage Loan Originator](#)
- [Education](#)
- [Certification of Testing and Education](#)

Training Events

Annual Renewal
dates in Sept, Oct and Nov

Orlando 2011



Streamlined Annual Renewals

The NMLS Streamlined Renewal process is easy if you have kept your record up to date.

Prior to November 1...

Step 1 – Prepare for the renewal process

NMLS has prepared a [PDF Renewal Handbook](#) to guide you through the renewal process. This handbook will provide detailed instructions for both companies and individuals.

Step 2 – Log in to NMLS and make sure your record is up to date

Make sure you can log in, with your user name and password. Licenses must be in an approved status in order to request renewal. To check your license status, follow the easy steps on the [PDF License Status Quick Guide](#).

Step 3 – Review your state(s) deadlines and requirements

Select your state(s) below to see renewals deadlines, details, fees, etc. You can also download all of this information for all states using the following spreadsheets: 1. [PDF Renewal Deadlines Chart](#), 2. [PDF Renewal Fees Chart](#)

State:

On or after November 1...

Step 4 – Request renewal

Beginning November 1st, licensees can log into NMLS, click the Renewal Tab and request renewal of their licenses, or indicate to their regulator the licenses they do not intend to renew.

Individuals should log in and, through the Renewal Tab, attest to each license as they meet the requirements listed in the attestation language. Prior to submitting a renewal request, individuals should coordinate with their company. In some instances, the company may wish to submit the renewal request on your behalf (attestation must be completed first).

Additional resources:

- [PDF Renewal Handbook](#)
- [PDF MLO SAFE Requirements and Deadlines Chart](#)
- [PDF Company Uniform Renewal Checklist](#)
- [PDF Individual Uniform Renewal Checklist](#)

Quick Guides (handy 1-2 page how-to documents):



State of Indiana

Amendments

- Amendments to filings should be completed prior to renewal to ensure faster processing of renewals

Deficiencies/License Items

- Deficiencies should be corrected prior to renewal
 - Failure to correct could delay/prevent renewal



State of Indiana

How to view deficiencies

- For assistance in accessing your filing you need to call the NMLS call center
 - 240-386-4444
- Once you have determined if you have any deficiencies and you have questions after reviewing our notes you may call our office
 - 317-232-6681



State of Indiana

Common Deficiencies

■ Companies

- ❑ Business address changes
- ❑ Entity name does not match exactly bond and business entity filing with Business Services
- ❑ Principal Manager needs to be listed as Qualifying Individual
- ❑ Company must sponsor all loan originators and principal managers
- ❑ Original bond and power of attorney required, no expiration date
- ❑ Jurisdiction participation-INSOS



State of Indiana

Common Deficiencies

■ Individuals

- ❑ Jurisdiction participation-INSOS
- ❑ Current employer needs to be address of location in which you work
- ❑ Cannot hold both an LO and PM registration at same time
- ❑ Disclosure questions-if there is a yes answer and it has been explained previously let us know that it is not new
 - If it is new then explain, submit documentation



State of Indiana

Verification of License

- Certificates are no longer issued
- Public access is available through the NMLS
 - www.nmlsconsumeraccess.org
- Lenders and borrowers should be directed to the NMLS Consumer Access site



State of Indiana

How do I transfer?

- Transfers are handled via sponsorships
 - Terminate old sponsorship and relationship
 - Have new employer sponsor you
 - Amend employment history to reflect change
- Keep in mind that terminating a sponsorship does not terminate the relationship



State of Indiana

NMLS Call Center

- They can tell you how to do something
- You must know what you need to do
- They cannot explain state requirements outside of the details that are already available to you
- As the end of the year approaches the wait times will be longer
- NMLS does not issue refunds



State of Indiana

Items To Keep Track Of

- Record of your education (now available on your NMLS record)
- Any assessments completed and dates completed (also recorded in the NMLS)
- Your current license status and license number
- Whether or not you have obtained an FBI background report on the NMLS



State of Indiana

Important!

- Do not give access to your individual NMLS account to your company
- Do not use email addresses that do not come to you (generic company emails)
- Keep contact information up to date, it is the law and you could compromise the regulator's ability to communicate with you



State of Indiana

Future Updates and Enhancements

- Jurisdiction items phased out gradually
 - Paperless
- Enhancements
 - Credit check functionality to begin October 31, 2010
 - Education and testing are now paperless
 - FBI checks are completed through NMLS
 - SAFE requirements began January 1, 2010
 - Previous education and testing were grandfathered through the certification process



State of Indiana